

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 1995-1078-E - ORDER NO. 2000-996  
DECEMBER 13, 2000

IN RE: Request of Carolina Power & Light Company	)	ORDER APPROVING
for Approval of Proposed Economic	)	EXTENSION OF
Development Rider ED.	)	AVAILABILITY OF
	)	RIDER AND REDUCING
	)	MINIMUM CONTRACT
	)	TERM OF RIDER

This matter comes before the Public Service Commission of South Carolina ("Commission") on the request of Carolina Power & Light Company ("CP&L") to extend the availability of CP&L's Economic Development Rider ED-4 (Rider ED-4) and to reduce the minimum contract term of Rider ED-4. Currently, CP&L's Rider ED-4 provides that it will not be available to new customers after December 31, 2000. CP&L requests (1) that the Commission extend the availability of Rider ED-4 until December 31, 2003, (2) that the minimum contract term be reduced from 10 years to 5 years, and (3) that the revised Rider be effective for service rendered on or after January 1, 2001.

CP&L's Economic Development Rider ED was approved by the Commission in Order No. 95-1375 in this Docket. The original Rider ED was denominated as Rider ED-2. The availability of Rider ED was subsequently extended by Commission Order No. 97-1030, and the extended Rider ED, which is currently in effect until December 31,

2000, is denominated as Rider ED-4. Under Rider ED-4, and also under the previous Rider ED-2, Rider ED is available to new or expanding customers who: add a minimum of 1,000 kW of firm electrical load; agree to a minimum contract period of 10 years; and demonstrate either a minimum increase in employment of 75 full time-equivalent positions (“FTEs”) or a minimum investment of \$400,000 plus a net increase in FTEs. Customers are billed under standard large general service class tariffs; however, Rider ED provides the customers with a discount for the additional load for five years. The discount is based upon the customer’s monthly load factors and declines annually so that after 60 months of service under Rider ED, no discount is applicable.

Under CP&L’s request to extend the availability of the Rider ED and to revise Rider ED, all the of the requirements needed to qualify under Rider ED-4 will remain in effect, except that the customer must agree to a minimum contract term of 5 years rather than 10 years. Thus, if approved, the extended and revised Rider ED will be available to new or expanding customers who: add a minimum of 1,000 kW of firm electrical load; agree to a minimum contract period of 5 years; and demonstrate either a minimum increase in employment of 75 full time-equivalent positions (“FTEs”) or a minimum investment of \$400,000 plus a net increase in FTEs. Customers are billed under standard large general service class tariffs; however, Rider ED provides the customers with a discount for the additional load for five years. The discount is based upon the customer’s monthly load factors and declines annually so that after 60 months of service under Rider ED, no discount is applicable.

In support of its request, CP&L states that Rider ED has proved to be an effective tool in encouraging economic development within South Carolina. CP&L further offers that the continued offering of Rider ED is consistent with state economic development policy, enhances capacity utilization, and expedites high load factor growth within the CP&L service area.

Upon consideration and review of CP&L's request for extension of the availability of Rider ED, the Commission finds and concludes that the availability of Rider ED should be, and hereby is, extended until December 31, 2003. Further, the Commission finds and concludes that the minimum contract term shall be reduced from 10 years to 5 years. The Commission finds that the continued offering of CP&L's Rider ED, at the adjusted minimum contract term, will encourage economic development within South Carolina. However, the Commission reserves all determinations regarding the appropriate ratemaking treatment resulting from Rider ED for a future rate proceeding or until such other time as the Commission deems appropriate.

IT IS THEREFORE ORDERED THAT:

1. The availability of CP&L's revised Rider ED is extended until December 31, 2003.
2. The minimum contract term of revised Rider ED is reduced from 10 years to 5 years.
3. The revised Rider ED is effective for service rendered on or after January 1, 2001.

4. CP&L shall furnish 10 copies of the revised Rider ED to the Commission within 10 days of receipt of this Order.

5. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)